

BHI-202- FUNDAMENTALS OF HOSPITAL ADMINISTRATION
 UNIT-III- SERVICES, HEALTH AND HOSPITAL

- A. SERVICES
- B. HISTORY OF MEDICINE
- C. HEALTHCARE
- D. HOSPITALS

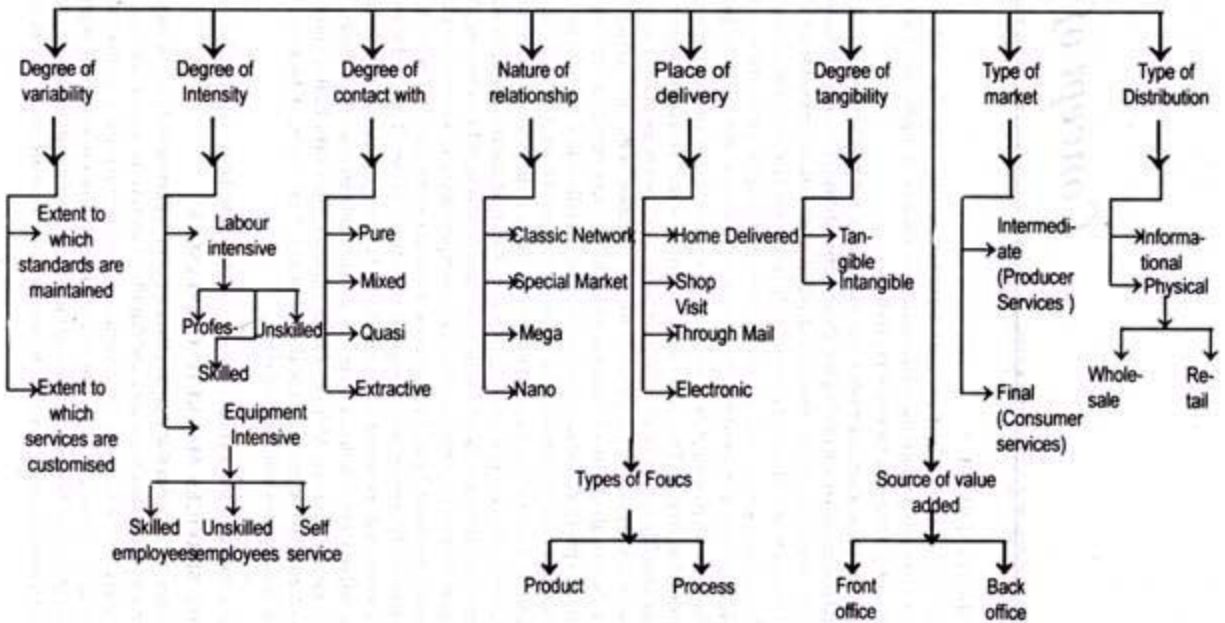
A) SERVICES:

A service is an act or performance offered by one party to another.

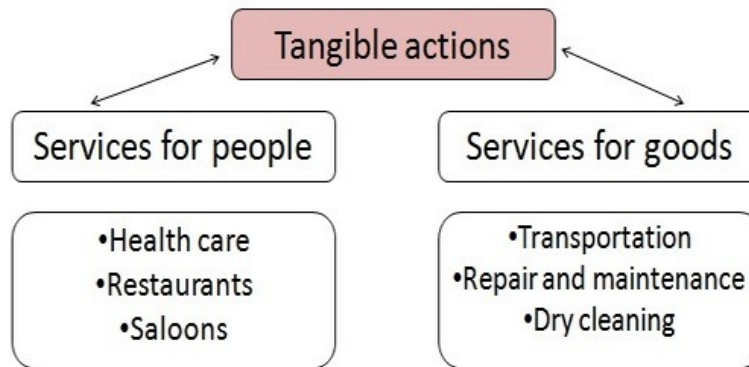
DEFINITION:“ A service is an act of performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product.” - Philip Kotler

CLASSIFICATION OF SERVICES:

FIGURE 1.1 : CLASSIFICATION OF SERVICES



All in all, service classification considers four types of people or objects.

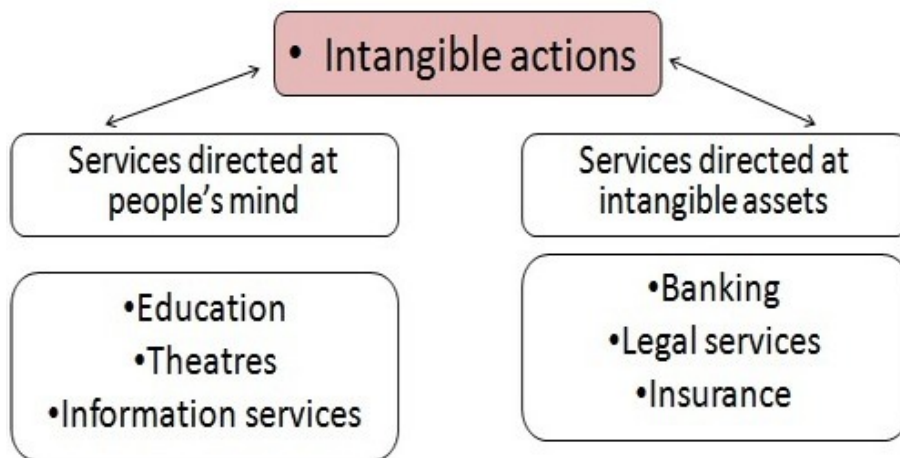


1) Classification of service based on tangible action

Wherever people or products are involved directly, the service classification can be done based on tangibility.

a) **Services for people** - Like Health care, restaurants and saloons, where the service is delivered by people to people.

b) **Services for goods** - Like transportation, repair and maintenance and others. Where services are given by people for objects or goods.



2) Classification of services based on intangibility

There are objects in this world which cannot be tangibly quantified. For example - the number of algorithms it takes to execute your banking order correctly, or the value of your life which is forecasted by insurance agents. These services are classified on the basis of intangibility.

a) **Services directed at people's mind** - Services sold through influencing the creativity of humans are classified on the basis of intangibility.

b) Services directed at intangible assets - Banking, legal services, and insurance services are some of the services most difficult to price and quantify.

However, it is more indicated to have a face-to-face relationship in order to fully understand the [needs of the customer](#).

3) A more general classification of services based on the type of function that is provided through them can be as follows:

1. Business services.
2. Communication services.
3. Construction and related engineering services.
4. Distribution services.
5. Educational services.
6. Environmental services.
7. Financial services.
8. Health-related and social services.
9. Tourism and travel-related services.
10. Recreational, cultural, and sporting services.
11. Transport services.
12. Other services not included elsewhere.

As can be read, above were all the different ways to classify services

Figure 2.2 : SOME IMPLICATIONS OF SERVICE INTANGIBILITY

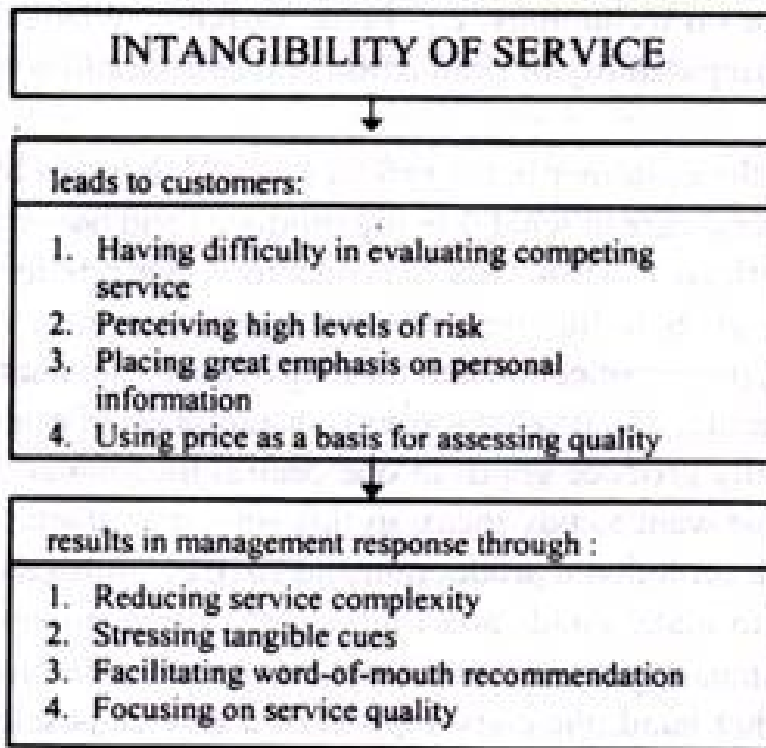


Figure 2 . 4 : SOME IMPLICATIONS OF SERVICE INSEPARABILITY

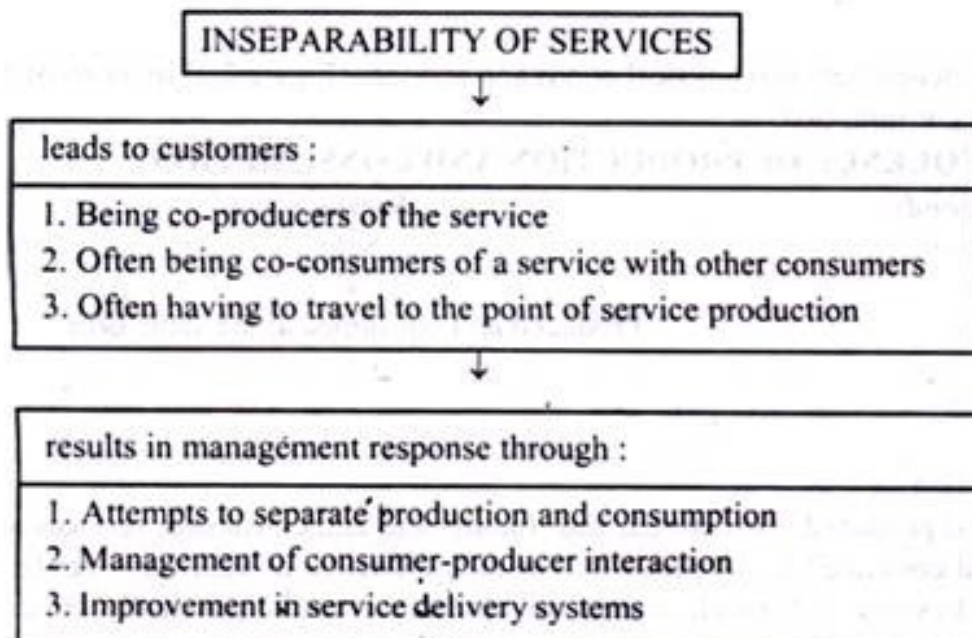
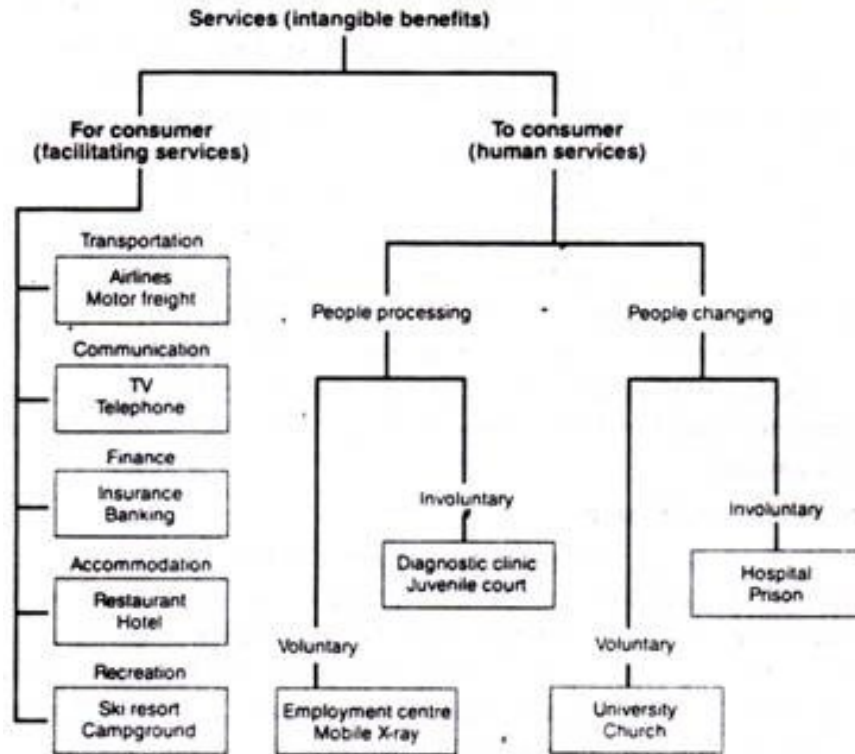


Figure 1.4 : CONSUMER PERSPECTIVES OF SERVICE



CHARACTERISTICS OF SERVICE:

1. INTANGIBILITY: The services are not known to the customer before they take them. } A consumer feels that he has the right and opportunity to see, touch, hear, smell or taste the goods before they buy them but this is not applicable to services. } Services are intangible we cannot touch them as they are not physical objects. EXAMPLES- Mobile network providers like Vodafone , Airtel , Reliance , etc
2. PERISHABILITY: Services last for a specific time and cannot be stored like a product for later use. } Services perish as soon as they are used. } Value of service exists at the point when it is required.
3. INSEPARABILITY: Production and consumption of services go hand in hand. } Thus, the service provider would become a part of a service. } Services cannot be separated from the service provider. EXAMPLE- The presence of taxi driver is essential to provide the service. } Taxi operator drives taxi, and the passenger uses it. }

4. HETEROGENEITY: The service firms should make an effort to deliver high and consistent quality by selecting good and qualified personnel for rendering the service. Systems and procedures are put into place to make sure the service provided is consistent. The quality of services cannot be standardized. EXAMPLE- Live concerts like singing , dancing and comedy shows , movies , etc.
5. OWNERSHIP: They cannot own the service.—But in the case of services, the users have only an access to services. —In the sale of goods, after the completion of process, the goods are transferred in the name of the buyer and he becomes the owner of the goods. EXAMPLE Membership of a gym
6. SIMULTANEITY: It is right to say that services have limited geographical area.—Either users are brought to the services or providers go to the user. —Services cannot move through channels of distribution and cannot be delivered to the potential customers and user. EXAMPLE -COST & Electronics service, repair—A doctor's visit to home. —When the producers approach the buyer to deliver services the cost of those services is increased. On the other hand it cost time and money for the buyers to come to producers directly; maintenance centers
7. QUALITY MEASUREMENT: It is very difficult to rate or quantify services.—We can measure it in terms of service level. —A service sector requires another tool for measurement. EXAMPLE-Thus the firm sells good atmosphere, convenience of customers, consistent quality of services, etc.—We can quantify the food served in a hotel but the way waiter serves the customer or the behaviour of the staff, timely delivery , hygiene etc. cannot be ignored while rating the total process.
8. NATURE OF DEMAND: The demand of services can be abnormal, sudden seasonal, situational—The services are fluctuating in nature. & Therefore, while identifying the salient features of services one cannot ignore the nature of demand.—dependent. EXAMPLE-• Service quality level deteriorates during peak hours in hotels, transportation etc. • E-Retailers offering huge discounts on festive occasions • A marketer should effectively utilize the capacity without deteriorating the quality to meet the demand.

9. FEW ADDITIONAL CHARECTERISTICS: I. Services are sold exclusively on the basis of benefits they offer. II. Services cannot be made available in advance. III. Time utility is critical. IV. Services cannot be transferred. V. A service once consumed cannot be returned.

Table 1.3 : A COMPARISION OF SERVICES AND GOODS

<i>Dimensions</i>	<i>Services</i>	<i>Goods</i>
A. Characteristics		
1. Entity	Intangible	Tangible
2. Storage	Not possible	Possible
3. Quality	Varies with time and person	Standardised
4. Producer status	Inseparable from service	Separate from goods
5. Labour intensity	Tends to be high	Lower
6. Life	Stillborn	Longer
B. Marketing Planning		
7. Demand	Fluctuating	Stabilised
8. Supply	Constrained	Flexible
9. Title	No ownership	Ownership possible
10. Seasonality	Present	Goods specific
11. Consumer reaction	Spontaneous	Delayed
12. Pricing	Labour based	Material based
13. Need satisfied	More emotional	More physical
14. Basis of competition	Personalisation	Technology
15. Channels	Shorter	Longer in most cases
16. Repairs	Impossible	Possible
17. Replacement	Rare	Common
18. Forecasting	Short-run	Long-run
19. Forecast	Consumer behaviour and arrival time	Products to place to inventory
20. Image	Corporate	Brand
21. Physical movement	Of the provider	Of the goods
22. Cost allocation	Difficult	Easier
C. Marketing Strategy		
23. Orientation	External & Internal	External
24. Focus	Customer expectations	Customer needs
25. Approach	Focussed	Can be diffused
D. Operations		
26. Production	Spontaneous	Time-spread
27. Customer involvement	High	Low / absent
28. Physical presence of the customer	Essential	Hardly necessary
29. Physical surrounding	Very important	Not so important
30. Standardisation	Only for routine services	All over
31. Facility location	Close to customer	Near supply
32. Facility design	To accommodate	To enhance production

CHALLENGES

Because of basic differences between goods and services, marketers of services face some very real and distinctive challenges. The challenges revolve around understanding customer needs and expectations for service, tangibilizing the service offering, dealing with a myriad of people and delivery issues and keeping promises made to customers.

The future of the services sector:

There are the likely trends in the service sector for the different kinds of services.

Old Services:

Demand will continue to fall (e.g. public transport, laundries). However because these services have a fairly small share in service consumption and output they will have little influence upon services as a whole.

New Services:

Demand will be fairly close to the trend of output and income in the overall economy (e.g. health, education, tourism). Private consumer demand for leisure and recreation-related services may tend to increase faster than personal income if the economy is growing.

The resources devoted to new services that are publicly provided (e.g. health and education) will be influenced by political decisions. The complexion of the government in office will clearly influence what share of resources will be devoted to public services, although this decision in turn will be influenced by factors like the general health of the economy and general demographic trends (e.g. the increasing numbers of old people).

Complementary Services:

Demand for these will be influenced by the health of the sectors which use them. If the fortunes of the manufacturing sector improve then intermediate services will grow (e.g. computing, finance, research). If on the other hand manufacturing continues to stagnate, then intermediate services will suffer too. Generally they have growth faster than

manufacturing in the past but it is unlikely that under stagnant conditions in the 1980s they could continue to enjoy such exceptional growth.

As far as internationally traded services are concerned (e.g. tourism, financial services) their growth is less constrained and could continue to develop but would be particularly influenced by two factors:

- (a) Competition
- (b) Exchange Rates

Limitations on growth in service industries:

The overall conclusion from the previous section that services will continue to be important in the economy and that growth is likely in some sub-sectors is reasonable. Even in times of economic decline and stagnation there is evidence to suggest that demand for services is less sensitive to economic fluctuations. But any optimistic forecasts should take account of possible limitations on growth in the service sector.

Two forces which could limit their growth are external forces and internal forces.

A. External Forces:

Some constraints on growth include:

1. Customers can perform services themselves. The degree of essentiality of service purchases varies (e.g. people can eat at home instead of eating in restaurants);
2. Manufactured goods will be produced which replace service roles (e.g. TV replaces cinemas, tools replace the service of skilled labour, like carpenters, easy-care fabrics replace cleaning and laundry services);
3. Manufactured goods will be produced which require less service attention (e.g. cars with longer service intervals, equipment with throwaway replaceable parts).

B. Internal Forces:

Some internal constraints on growth include:

1. The small size of the average service firm;
2. The shortage of people with certain special skills (e.g. doctors);
3. The limited competition in some service sub-sectors (e.g. rail transport, local authority services);

4. Little emphasis on research and development in many service fields; the general failure to recognize the importance of marketing in some service businesses.

Services in the modern economy:

As consumers, we use services every day. Turning on a light, watching TV, talking on the telephone, catching a bus, visiting the dentist, posting a letter, getting a haircut, refueling a car, writing a cheque or sending clothes to the cleaners are all examples of service consumption at the individual level.

In addition to educational services, the facilities at today's colleges and universities usually comprise libraries and cafeterias, counselling services, a bookshop and careers offices, copy services, telephones and Internet connections, and maybe even a bank. If you are registered at a residential university, additional services are likely to include halls of residence, health care, indoor and outdoor sports and athletic facilities, a theatre and, perhaps, a post office.

Unfortunately, customers are not always happy with the quality and value of the services they receive. People complain about late deliveries, rude or incompetent personnel, inconvenient service hours, poor performance, needlessly complicated procedures and a host of other problems.

They grumble about the difficulty of finding sales assistants to help them in shops, express frustration about mistakes on their credit card bills or bank statements, shake their heads over the complexity of new self-service equipment, mutter about poor value and sigh as they are forced to wait for service or stand in queues almost everywhere they go.

Suppliers of services often seem to have a very different set of concerns. Many complain about how difficult it is to make a profit, how hard it is to find skilled and motivated employees, or how difficult to please customers have become. Some firms seem to believe that the surest route to financial success lies in cutting costs and eliminating 'unnecessary frills'.

Happily, in almost every field of endeavour there are service suppliers who know how to please their customers while also running a productive, profitable operation, staffed by pleasant and competent employees.

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	Physical / psychological needs	
33. Product design	Environment plays a vital role	Only physical product
34. Process design	Immediate effect on consumers	Customer not involved
35. Scheduling	As per customer interest	Completion dates
36. Production planning	Smoothing results in losses	Possible
37. Inventory	Personnel	Raw material
38. Quality control	Variable standards	Fixed
39. Quality objective	Zero defection	Zero defect
40. Worker skill	Interaction	Technical
41. Time standard	Loose	Tight
42. Capacity planning	Fluctuation	Average
43. Wage payment	Time based	Unit based
44. Type of technology	Generally soft	Generally hard
45. Delivery	Along with production	Separate from production
E. Organisation		
46. Structure	Flatter	Taller
47. Role of higher levels	Supportive	Demanding
48. Communication	Criss-cross	Mainly vertical
49. Desired design	Organic	Rational

B) HISTORY OF MEDICINE:

DEFINITION: "medicine is seen as the art, science, study, and practice of preserving one's health via drugs or surgery."

HISTORY:

It is suspected that, at first, early humans didn't think of diseases as anything other than something part of natural existence. There was no need to treat a disease as a result. This isn't a far stretch of a thought either. That's because not all that long ago native tribes far removed from Western civilization thought their diarrhea was perfectly normal, until Westerners told them it wasn't and it was due to parasites.

Later on, diseases may have been viewed as being supernatural in origin. In other words, someone cast a spell on you or you insulted a god and that is why you are sick. But it also seems logical to suspect that as soon as *Homo sapiens* were able to reason, they must've experimented with nature in order to see how it could be of benefit to them. Things like vegetables, roots, herbs, berries and so on may have been simply tested by trial and error to see if they were (hopefully) beneficial in some way. This use of natural substances for healing constitutes the notion of folk medicine, which survives to this day. Magic, incantations, and witch doctors played their part in early 'medicine' as well.

With time, advancement in technology, and even more experimentation medicine evolved from a shrug of the shoulders and a fear of the gods to folk medicine and now medicine as it is seen today.

1. In ancient Egypt, one of the most famous and first physicians arises. His name was **Imhotep** and he is considered by some to be the 'father' of medicine. The Egyptians developed medical texts about treating wounds and injuries among other things.
2. In ancient Babylon, it seemed that literally anyone and everyone could be a doctor. But trying to be one was risky. If you killed a patient while treating an abscess your hands could be cut off. So much for encouraging your kids to go to medical school, right?

3. Ancient Indian sacred writing called **Vedas** also laid out various practices for treating diseases, albeit with a heavy dose of magic and charms.
4. The ancient Chinese also published medical texts, some revered to this day, like the **Huangdi neijing**, an important text on internal medicine.
5. Ancient Greece- Imhotep was later identified with the Greek god of medicine **Asclepius**, from which the proper symbol of medicine, the rod of Asclepius is derived. Ancient Greece also gave us another important physician, **Hippocrates**, for whom the Hippocratic Oath of medicine arises and someone who is commonly thought of the father of modern, especially Western, medicine.
6. Ancient Rome continued the great Greek traditions, including learning about medicine. Actually, many Greek physicians flocked to the Roman Empire, most notably **Galen**, who was a great anatomist and physiologist of his time.
7. Medieval Europe relied on educated monks to preserve the ancient texts and to establish great hospitals for people, after the collapse of ancient Rome. They also translated classical medical manuscripts into Latin and Arabic.
8. Arabic scholars, including Jewish and Christian scholars in Arab lands, further preserved and expounded upon medicine in various treatises. The Arab scholars were also some of the first true experimental pharmacologists and pharmacists.

9. **The period of Enlightenment** brought about a new revolution in how medicine was studied. New ways of properly experimenting with anatomy and physiology and carefully measuring things with accuracy in medicine were brought forth by the likes of William Harvey and even Galileo.